



UnitedHealthcare Team Meeting

Tuesday, April 5, 2011

Gov. Jan Brewer

Good morning, everyone, and thank you very much for the invitation to speak to you today.

You've probably heard a few things about my Medicaid reform proposals.

But, as you might expect, the media doesn't always tell you the full story.

So, while I appreciate the opportunity to outline my proposal for you, I also thought it was important for me to explain how we got to where we are.

Soon after taking office in early 2009, I called together health care stakeholders – including, I think, some of you in this room. I wanted to outline a looming problem with our Medicaid program.

Simply put, the program was growing at a rate that was unsustainable by any measure.

Like many states, we've faced budget challenges for years.

But, even when I first took office, I knew that one of the main drivers of our state budget over the coming years would be our Medicaid program.

And, I was right.

Since 2007, Medicaid spending has increased by 65 percent, growing from 17 percent of the state budget to 30 percent now.

And, that's at a time when we're reducing expenditures all across state government.

That's astounding.

So I knew -- even back then -- that we'd have to have the health care community engage on how to ensure our Medicaid program was sustainable for the long term.

So, I called stakeholders together, and then I called them together the next year, and I called them together for a final time earlier this year.

Each time I laid out the problem for them and asked them to come together on a solution.

But, they weren't able to do it.

So, as I told them I would, I had to move forward with the only alternative I saw available.

At the time, that alternative was a rollback of Medicaid eligibility.

And, just to provide you some context on that, I have to give you a sense of where our federal partners were.

We sensed from them that there was NO flexibility. In fact, they had recently denied some common sense reforms like eliminating non-emergency transportation.

So, we really felt boxed in -- like they weren't going to work with us on the simple issues, so our only options were to look at large scale eligibility changes.

That's why we asked for a maintenance of effort waiver from the federal government to allow us to make changes -- even though health care reform said we couldn't.

I want to be clear -- that wasn't an easy decision for me.

I'm well aware of the consequences -- both to our economy and on a human scale.

I know the people we're talking about are receiving life sustaining treatments -- treatments like cancer and dialysis.

There would be a significant impact if that coverage was just terminated.

I tried to find alternatives.

Instead, I found resistance from hospitals and other important health care stakeholders along the way.

So, I released my plan -- and everyone said the federal government would never allow it.

But, guess what? They did.

And, they did it in a clever manner that only applies to Arizona.

And, they did it with a renewed pledge of flexibility in other areas -- areas they previously hadn't been willing to negotiate.

That flexibility allowed me to look at other options -- options to preserve coverage for those currently on the program, but still provided reforms that would last even when health care reform was implemented.

That's what I submitted to the federal government last week -- a balanced proposal that:

- Freezes eligibility for childless adults and parents
- Requires people to contribute to the cost of their care, and
- Imposes limited benefit restrictions.

My staff will stay after this and answer specific questions about the proposal if you have them.

But, I'm really hopeful the federal government is sincere in its desire to work with us.

We need their help to make this work -- to make sure we have a sustainable and responsible Medicaid program here in Arizona.

I know these changes I'm proposing are difficult, and I know people want to talk about alternatives.

What we need is a comprehensive solution that can garner Legislative approval -
- AND be implementable.

I think my proposal does just that. I want to thank your company for being engaged on these discussions.

I know it's not easy to get consensus in a community as diverse as our health care system. But, at least you've been willing to be at the table -- you've acknowledged the problem -- and engaged on solutions. And I really am thankful for that.

So, again, thank you for the opportunity for me to share some thoughts on this vital issue.

And, now, you probably have a few questions for me ...